



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**www.bpu.state.nj.us**

**TELECOMMUNICATIONS**

IN THE MATTER OF THE JOINT PETITION)  
OF CON EDISON COMMUNICATIONS, LLC) )  
AND RCN CORPORATION FOR )  
APPROVAL OF THE TRANSFER OF )  
CONTROL OF CON EDISON )  
COMMUNICATIONS, LLC TO RCN )  
CORPORATION )

**ORDER OF APPROVAL**

DOCKET NO. TM05121051

(SERVICE LIST ATTACHED)

**BY THE BOARD**

On December 16, 2005, Con Edison Communications, LLC (CEC) and RCN Corporation (RCN and jointly, Petitioners), pursuant to N.J.S.A. 48:2-51.1, 48:3-7, and 48:3-10 filed a petition with the Board of Public Utilities (Board) requesting the approval of the transfer of stock of Consolidated Edison Communications Holding Company, Inc. (CEC Holding) and the transfer of control of CEC to RCN, pursuant to a Stock Purchase Agreement (Agreement) between Consolidated Edison, Inc. (CEI), the indirect corporate parent of CEC, and RCN. Upon consummation of the transfer, CEC will become a wholly-owned subsidiary of RCN and continue to offer services on the same terms, rates and conditions that it currently provides such services in the State.

**BACKGROUND**

CEC, a New York limited liability company, is a wholly owned indirect subsidiary of CEC Holding. According to the petition, CEC built and operates its own fiber optic network providing managed data transport services, custom networks, local and long distance voice services, and Internet access services. In New Jersey, CEC currently has approximately 50 customers. As noted in the petition, the Board's original grant of authority was to Consolidated Edison Communications, Inc. See Order, I/M/O the Petition For an Order Authorizing Consolidated Edison Communications, Inc. to Provide Local Exchange and Interexchange Telecommunications Services in the State of New Jersey, Docket No. TE00100802. On May 20, 2003, the Board approved a corporate restructuring whereby Consolidated Edison Communications, Inc. was merged with and into CEC, with CEC as the surviving entity. See Order, I/M/O the Joint Petition of Consolidated Edison Communications, Inc. and Con Edison Communications, LLC for Authority to Transfer Assets as Part of a Pro Form Corporate Restructuring, Docket No. TM02030168.

RCN is a publicly traded Delaware corporation. According to the petition, RCN provides bundled phone, cable and high speed Internet services delivered over its own fiber-optic local network to

consumers in Massachusetts, New York, Pennsylvania, Washington, DC, Maryland, Virginia, Illinois and California, through several subsidiaries. Neither RCN nor its subsidiaries are currently authorized to provide facilities-based and resale local exchange and interexchange services in New Jersey.

## DISCUSSION

According to the petition, based upon the Agreement, RCN will purchase for cash all of the outstanding shares of the capital stock of CEC Holding Company held by CEI, the parent company of CEC Holding Company. CEC Holding Company will then become a direct subsidiary of RCN and CEC will be an indirect subsidiary of RCN. CEC will also change its name to RCN New York Communications, LLC. Customers are to be notified by letter indicating that their current rates, terms, and conditions will remain unchanged and, subject to the terms and conditions of their agreement, that they have the right to choose a different provider.

Petitioners indicate that the proposed transaction is intended to enhance the financial, managerial, and technical qualifications of CEC to provide telecommunications services. Petitioners also state that following the transaction, CEC will have the financial support of RCN and that the combination of existing technical experience at CEC and RCN will enhance CEC's ability to continue to efficiently provide and expand its competitive services in New Jersey. The Petitioners also point out the CEC will continue to provide service to all its existing customers without interruption, consistent with its existing tariffs and applicable law. Thus, the proposed transaction will not affect the rates, terms, or conditions under which CEC provides service in New Jersey. Petitioners have indicated that CEC currently does not have any employees in New Jersey.


## FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on service quality to New Jersey customers or the rates they pay. Nor will there be a negative impact on competition. Likewise, there will be no negative impact upon employees as none are employed in the State. Moreover, a positive benefit may be expected from the strengthening of CEC's competitive posture in the telecommunications market.


Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY ORDERS that Petitioners shall notify the Board of the closing of the proposed transaction within ten (10) days of consummation of the transfer. The Board FURTHER ORDERS that the approval in this Order shall become null and void and of no effect to the extent it has not been exercised prior to July 31, 2006.

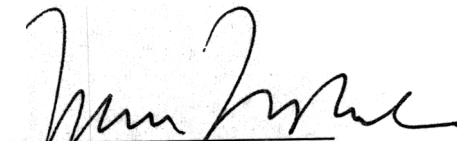
DATED: 2/2/06

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

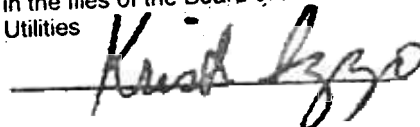
  
CONNIE O. HUGHES  
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JOSEPH L. FIORDALISO  
COMMISSIONER

ATTEST

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
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Docket No. TM05121051

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